



CITY OF CHICAGO • OFFICE OF THE MAYOR



**FOR IMMEDIATE RELEASE**

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**500 AFFORDABLE SENIOR UNITS TO BE REHABBED IN LITTLE VILLAGE AND EAST GARFIELD PARK**

City Council today passed an ordinance that would cede up to \$90 million of unused City of Chicago tax-exempt bond volume cap to the Chicago Housing Authority (CHA) for the rehabilitation of Albany Terrace Apartments and Irene McCoy Gaines Apartments (Albany Gaines). On the southwest side in Little Village, Albany Terrace was constructed in 1974 and includes 350 affordable senior units. Irene McCoy Gaines in East Garfield Park was built in 1964 and has 150 residential units, including 30 studios and 120 one-bedroom units. Together, the two buildings provide 500 units of affordable housing to low-income senior citizens in these communities.

Both buildings need critical system upgrades and extensive renovation to continue to provide housing for the next generation of seniors. The development costs will total roughly \$168 million. In addition to the use of tax-exempt bonds and an anticipated \$67.5 million in 4% tax credit equity generated from the bonds, other funding will consist of a \$41 million mortgage, a \$56.5 million loan from the CHA; \$2.3 million in accrued interest and \$410,000 returned from the rate lock deposit. No City funds will be used in the redevelopment of the two buildings.

CHA is asking the City to cede a \$90 million volume cap for bonds that they will issue to a newly formed entity, Albany Gaines LLC. This entity will borrow the funds from CHA with the proceeds used to reimburse CHA for capital costs spent on this project. This funding structure will provide CHA with money to spend on the future rehabilitation of other buildings in their portfolio.

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## **GREATER GRAND CROSSING AND ENGLEWOOD SCATTERED-SITE AFFORDABLE RENTAL COMMUNITY TO RECEIVE FINANCIAL RESTRUCTURING**

City Council today passed to a restructuring proposal for Englewood Garden Apartments in the Greater Grand Crossing and Englewood communities. The revised proposal would allow the transfer of physical assets of Englewood Garden Apartments, a 167-unit affordable, scattered-site rental community, and the transfer of the debt and security instruments related to previous City-sourced financial assistance from the current City borrower/obligor to a prospective City borrower/obligor.

Through this measure, Community Housing Partners III L.P., and RAHF V/5T Englewood, LLC request the City's authorization for restructuring of the existing agreements related to an existing City loan and a historical allocation of tax credits in a manner that:

- Will not alter the unpaid principal balance of the City loan of Community Development Block Grant ("CDBG") funds from circa 1996 (\$2.62 million)
- May alter the interest rate on the principal balance of the City loan of CDBG funds from circa 1996, the interest rate of said loan being zero (0) percent per annum, to an interest rate that is not to exceed the applicable federal rate published by the United States Internal Revenue Service
- Will not extend the maturity date of the existing City loan from its currently scheduled July 1, 2029 maturity date
- Will consent to the transfer of the Property to Replacement Borrower.

There are 12 buildings and related surface parking lots in Englewood and Greater Grand Crossing impacted by this measure:

- 6545 South Normal Avenue
- 6547-49 South Normal Avenue
- 6553-59 South Normal Avenue/434-42 West 66th Street
- 6642-56 South Stewart Avenue/408-10 West 67th Street
- 6757-59 South Parnell Avenue
- 6850 South Normal Avenue
- 7001-03 South Normal Avenue/451-53 West 70th Street
- 7000-04 South Eggleston Avenue/443-45 West 70th Street
- 7056-58 South Eggleston Avenue/440-42 West 71st Street
- 6816-18 South Perry Avenue
- 7011-13 South Perry Avenue
- 7150 South Eggleston Avenue/436-44 West 72nd Street
- Parking Lots



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- 7008 South Eggleston Avenue
- 6632 South Stewart Avenue
- 7049-53 South Eggleston Avenue
- 7149 South Eggleston Avenue
- 7151 South Eggleston Avenue
- 6535 South Normal Avenue
- 6858 South Normal Avenue

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